

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Budget 2017-18 – Budget Authorisation and Guidelines for issue of Comprehensive Budget Release Order (CBRO) and Budget Distribution - Instructions – Issued.

FINANCE (Budget-I) DEPARTMENT

G.O. MS. No.:57

Dated: 7 April, 2017.
Read the following:

1. G.O. MS.No.101, Finance (Budget-I) Department, dated 12-08-2015.
2. G.O.MS.No.52, Finance (Budget-I) Department, dated 31-03-2017.

ORDER:

In order to ensure streamlined budget management and to facilitate timely availability of funds to the implementing agencies, the Government introduced Comprehensive Budget Release Order (CBRO) system in the G.O. first read above. The purpose of the CBRO process is to enable the departments to distribute the budget allotted to them in accordance with their annual work plan, programme priorities, and specific monthly requirements of the department rather than distribution in equal quarterly instalments.

2. The State Government is introducing Comprehensive Financial Management System (CFMS) leveraging SAP platform, being implemented by the Finance Department. Budget Distribution will be the first process that shall be launched in CFMS and will lay the foundation for the upcoming modules of Expenditure, Receipts, Accounts Management, HRMS, Payroll, Debt Management, Budget Preparation etc., which are planned to be launched during the year. Therefore, Budget Distribution for the financial year 2017-18 will be performed in CFMS by the Heads of Departments/Secretariat Departments.

3. Vide the G.O second read above, Finance (Budget.I) Department communicated the publication of A.P. Appropriation Act, 2017 based on the approval of Budget for the year 2017-18 by the State Legislature. As per this, all the Heads of Departments/Secretariat Departments/Chief Controlling Officers/ Estimating Officers are authorized to incur expenditure on quarterly basis with reference to the provisions made in the Budget 2017-18.

4. However, issuance of CBRO and distribution of budget by the Chief Controlling Officers (Heads of the Departments) to the Sub Controlling Officers (SCOs) and Drawing and Disbursement Officers (DDOs) is a pre-requisite to incur expenditure. Therefore, in order to enable the Heads of the Departments / Secretariat Departments to incur expenditure with immediate effect until the issue of CBROs by the Finance Department, Government hereby authorize the departments to incur expenditure not exceeding 8.33% of the budget provision made in BE 2017-18 for the items of expenditure covered under the budget. Heads of Departments/Secretariat Departments will issue the distribution based on the requirements to their SCOs/DDOs. The Director of Treasuries and Accounts and the Director of Works Accounts, Andhra Pradesh shall issue necessary instructions to the sub-ordinate officers under their control in this regard.

5. Concurrently, all Secretariat Departments and Chief Controlling Officers (Heads of Departments) are requested to duly distribute the entire approved 2017-18 Budget, using the CFMS, between the four quarters of the 2017-18 financial year and amongst the Subordinate Controlling Officers (SCOs) as well as the Drawing and Disbursing Officers (DDOs) in accordance with their annual work plan, programme priorities, monthly / quarterly fund requirement, etc., and submit to the Finance Department by April 25, 2017. Para 6 of this GO provides guidance on the distribution of budget amongst the four quarters to the Heads of the Departments and further distribution by HODs down the line to their SCOs and DDOs. Upon review of this information, the Finance Department will issue Comprehensive Budget Release Order (CBRO) to the Heads of the Departments for all four quarters of the 2017-18 financial year by April 30, 2017 and the Budget Distribution performed by the HODs will be loaded to the DTA, PAO and DWA systems authorising the SCOs/DDOs to incur expenditure as per the distributions given. This will supersede the current process of authorisations and therefore Director of Treasuries (DTA) / Pay and Accounts Officer (PAO) / Director of Works Accounts (DWA) are hereby requested to issue necessary instructions to their sub-ordinate officers for not insisting any further additional DTA/PAO/DWA authorisations in the system.

6. All Secretariat Departments and Chief Controlling Officers (Heads of Departments) will use the CFMS online screens to prepare the budget distribution amongst their SCOs and DDOs for the entire approved 2017-18 Budget in accordance with their annual work plan, programme priorities, monthly / quarterly fund requirement, etc. While distributing the Budget, Secretariat Departments and Chief Controlling Officers (Heads of Departments) are permitted to retain a part of the Budget not exceeding 20% in reserve for release at their discretion for better performers. In addition, the following principles shall govern the budget distribution, in supersession of any previous guidelines issued:

- a) The total of budget distribution for the 4 quarters under every head shall not exceed hundred percent of the allocated BE for the financial year.
- b) There shall be no treasury control for the heads relating to Salaries (010); Wages (020); Pensions (040) and Other Contractual Services (300). Budget control however shall apply for sub detailed heads Encashment of Earned

Leave (018) and LTC (019) under detailed head 010. These heads shall be distributed up to 25 per cent of BE for each quarter. Increase up to 35 per cent shall be allowed. Where there is a deviation with regard to point a) above, request should come to Finance Department for approval for release of additional budget/ re-appropriation orders, as necessary.

- c) For Grants in Aid (310), the BE distributed up to 25% of BE for each quarter. Increase up to 35% shall be allowed. However, there will be no treasury control for the sub-detailed heads Exgratia Payments (accidental death/compassionate appointment) (317) and Obsequies Charges (318).
- d) For detailed head 330-Subsidies, 25% of the allocated BE for the financial year shall be distributed for each quarter.
- e) For State Development Schemes (GSH 11), normally 25% of the allocated BE for the financial year shall be distributed for each quarter. An increase upto 35 per cent of the allocated BE for the financial year shall be allowed in a quarter while maintaining the overall distribution between the four quarters plus any reserve not exceeding hundred percent.
- f) For EAP¹ (GSH 03), separate guidelines will be issued.
- g) For RIDF² (GSH 07), the entire BE would be available from the first quarter itself as it is reimbursed after spending by the state government.
- h) The CASDS³ (GSH 12) amount is released only on receipt of request from the department which itself is based on amount released by the GOI.
- i) The MSS⁴ (GSH 06) for the corresponding CASDS is released after release of the CASDS instalment.
- j) In case of loan repayments under MH 6003 and MH 6004, the concerned Department shall upload the exact distribution figures for the financial year based on the schedule of repayment.
- k) In case of interest repayments under MH 2049 the concerned Department shall upload the exact distribution figures for the financial year based on the schedule of repayment.
- l) Any detailed heads not covered by the distribution principles defined above shall be normally distributed up to 25% of the allocated BE for the financial year in each quarter. An increase up to 35% of the allocated BE for the financial year shall be allowed.
- m) Any re-appropriation order does not require BRO/Administrative Sanction (AS) thereon.

7. The principles outlined in para-6 above, shall be configured by the Budget wing of Finance Department in the budget control master screens of CFMS. As a starting point, the budget distributed as per the above principles shall be made available in CFMS to the Secretariat Departments/HODs for further distribution to their SCOs/DDOs.

8. While preparing quarterly distribution of budget online, the Secretariat Departments and HODs shall ensure that the amounts authorized at para-4 above are also included under appropriate Heads of the accounts in the 1st Quarter provisions.

¹ Externally Aided Projects

² Rural Infrastructure Development Fund

³ Centrally Assisted State Development Schemes

⁴ Matching State Share

9. Provisions made for New Schemes in BE 2017-18 shall be considered for release only after receipt of proposals from the concerned departments with detailed work plan and budget.

10. While distributing the budget online, HODs/Secretariat Department may choose between manual distributions, equal distribution or proportionate based on previous year's expenditure. Based on the option selected, the system shall enable the data entry or editing of the system calculated distribution.

11. While doing manual distributions, certain HODs may distribute adopting the following:

- a) In case of Educational institutions, day as well as Residential, Hostels, the Budget may be distributed for overheads in the proportion of students/inmates.
- b) In case of Health Centres and Hospitals and Health Centre, the budget may be distributed based on the average turnover of patients.
- c) In case of departments like Animal Husbandry, Fisheries, Co-operation, Marketing, Labour, Industries etc., budget for overheads may be distributed based on the area of operation and jurisdiction.
- d) In case of Mandal Offices, for allocating overheads, population may be taken as base.

12. All Heads of the Departments / Secretariat Departments, Director of Treasuries and Accounts, Pay and Accounts Officer, Directorate of Works and Accounts are requested to follow these instructions scrupulously. In case of any clarifications, they are requested to reach out to the concerned FMUs, Budget I wing and IT wings of the Finance Department.

13. All Secretariat Departments/Heads of the Departments shall be provided training on the Budget Distribution in CFMS starting April 13, 2017 and therefore are requested to nominate competent resources from their respective offices for the same by April 10, 2017. At least three resources from each office are requested to be nominated for the training to ensure enough coverage is provided for preparation and data capture in CFMS.

14. The following are the time lines for issue of Budget distribution:

A.	Training of officers		
	i) Core Team	:	12th and 13th April, 2017
	ii) Secretariat Departments and Heads of Department (The participants will be HOD; Head of Accounts Department and Data Processing Assistant)	:	17 th to 19 th April, 2017
	iii) Concurrent Training for Subordinate Controlling Officers at District Head Quarters	:	21 st April, 2017
B	Process of Budget Distribution –		
	i) Sub Controlling Officers(District Officers)	:	22 nd April, 2017
	ii) Heads of Departments	:	24 th April, 2017
	iii) Secretariat Departments	:	25 th April, 2017

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

**MUDDADA RAVI CHANDRA
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)**

To

1. All Special Chief Secretaries / Principal Secretaries / Secretaries to the Government
2. All Heads of Departments
3. All District Collectors
4. All SCOs of all departments
5. The Director of Treasuries & Accounts A.P., Ibrahimpatnam.
6. The Director of Works Accounts, Ibrahimpatnam.
7. The Pay and Accounts Officer, Ibrahimpatnam.
8. The Dy. Directors/District Treasury Officers in the State.
9. The Chief Technology Officer, Finance Department.
10. The Chief Executive Officer, APCFSS.

Copy to:

1. The Chief Secretary to Government
2. The Principal Secretary / Secretary / Joint Secretary / Additional Secretary to the Government.
3. The Accountant General of Andhra Pradesh
4. All Sections in Finance Department.
5. All Officers in Finance Department.
6. Peshi to PFS / Secretary (R&E) / Secretary (B&IF) / Special Secretary. SF/SC.

* * *